

CITY OF BISMARCK DEFERRED SICK LEAVE FUND
INVESTMENT PERFORMANCE REPORT AS OF AUGUST 31, 2008

	August-08				July-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Month Net ROR	Market Value	Allocation Actual	Policy	Month Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
Los Angeles Capital	18,263	2.3%	2.3%	-0.56%	17,411	2.2%	2.3%	-1.18%	-1.73%	-7.79%	7.68%	N/A
Total Structured Growth	18,263	2.3%	2.3%	-0.56%	17,411	2.2%	2.3%	-1.18%	-1.73%	-7.79%	7.68%	9.56%
Russell 1000 Growth				1.08%				-1.90%	-0.84%	-5.96%	5.91%	7.32%
Structured Value												
LSV	16,597	2.1%	2.3%	1.61%	15,480	2.0%	2.3%	-0.58%	1.02%	-21.43%	3.81%	11.57%
Russell 1000 Value				1.70%				-0.36%	1.33%	-18.78%	3.53%	8.92%
Russell 1000 Enhanced Index												
LA Capital	35,788	4.5%	4.5%	0.76%	33,671	4.3%	4.5%	-2.05%	-1.30%	-9.54%	6.97%	N/A
Russell 1000				1.38%				-1.16%	0.20%	-12.36%	4.81%	
S&P 500 Enhanced Index												
Westridge	37,052	4.7%	4.5%	1.58%	34,582	4.4%	4.5%	-0.73%	0.85%	-12.18%	4.98%	N/A
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	
Index												
State Street	11,901			0.31%	11,246			-1.16%	-0.85%	-18.24%	2.93%	6.64%
Total 130/30	11,901	1.5%	1.5%	0.31%	11,246	1.4%	1.5%	-1.16%	-0.85%	-18.24%	2.93%	6.64%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
TOTAL LARGE CAP DOMESTIC EQUITY	119,602	15.1%	15.0%	0.88%	112,390	14.2%	15.0%	-1.22%	-0.35%	-12.71%	5.68%	9.31%
S&P 500				1.45%				-0.84%	0.59%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	19,730	2.5%	2.5%	2.40%	18,563	2.3%	2.5%	0.99%	3.41%	-20.93%	2.06%	9.10%
Russell 2000 + 200bp				3.78%				3.87%	7.79%	-14.48%	5.88%	12.50%
Enhanced												
Research Affiliates	20,946	2.6%	2.5%	3.55%	19,479	2.5%	2.5%	2.98%	N/A	N/A	N/A	N/A
Russell 2000				3.61%				3.70%	7.45%	-16.19%		
TOTAL SMALL CAP DOMESTIC EQUITY	40,676	5.1%	5.0%	2.99%	38,042	4.8%	5.0%	1.97%	5.02%	-21.14%	1.97%	9.04%
Russell 2000				3.61%				3.70%	7.45%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY												
Large Cap - Active												
Capital Guardian	31,271	4.0%	4.0%	-3.83%	29,451	3.7%	4.0%	-4.00%	-7.68%	-12.37%	12.24%	14.35%
LSV	31,497	4.0%	4.0%	-1.07%	28,851	3.7%	4.0%	-2.50%	-3.55%	-25.78%	7.37%	N/A
Total Large Cap - Active	62,768	7.9%	8.0%	-2.47%	58,302	7.4%	8.0%	-3.27%	-5.66%	-19.29%	9.83%	13.46%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%
Small Cap - Value												
DFA	7,311	0.9%	1.0%	-3.22%	6,850	0.9%	1.0%	-4.44%	N/A	N/A	N/A	N/A
Total Small Cap Value	7,311	0.9%	1.0%	-3.22%	6,850	0.9%	1.0%	-4.44%	-7.52%	-12.74%	9.30%	17.27%
S&P/Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
Small Cap - Growth												
Vanguard	7,100	0.9%	1.0%	-5.82%	6,664	0.8%	1.0%	-5.82%	-11.30%	-17.52%	11.77%	20.18%
Citigroup Broad Market Index < \$2BN				-5.40%				-4.30%	-9.47%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	77,180	9.8%	10.0%	-2.85%	71,816	9.1%	10.0%	-3.62%	-6.37%	-18.83%	9.79%	14.56%
MSCI EAFE - 50% Hedged				-1.59%				-2.64%	-4.19%	-15.14%	10.93%	14.67%

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	Market Value	Allocation	Month	Net ROR	Market Value	Allocation	Month	Net ROR	FYTD	FY08	Ended	Ended
		Actual	Policy			Actual	Policy		Net	Net	6/30/2008	6/30/2008
											Net	Net
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	155,261	19.6%	20.2%	1.03%	157,558	19.9%	20.2%	-1.78%	-0.76%	2.06%	2.76%	3.55%
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.86%
Mortgage Backed												
Hyperion	29,867	3.8%	5.2%	-10.70%	34,542	4.4%	5.2%	-8.02%	-17.87%	-20.24%	N/A	N/A
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-0.46%				-0.06%	-0.52%	10.14%		
Core Plus/Enhanced												
<i>Clifton Group</i>	45,833	5.8%	5.2%	1.11%	46,365	5.9%	5.2%	0.45%	1.56%	10.17%	N/A	N/A
<i>Prudential</i>	45,446	5.7%	5.2%	0.71%	46,222	5.8%	5.2%	-0.24%	0.46%	4.89%	N/A	N/A
Total Core Plus/Enhanced	91,279	11.5%	10.4%	0.91%	92,588	11.7%	10.4%	0.10%	1.01%	7.55%	N/A	N/A
<i>Lehman Aggregate</i>				0.95%				-0.08%	0.87%	7.12%		
Index												
Bank of ND	79,830	10.1%	9.1%	1.06%	80,971	10.2%	9.1%	0.07%	1.14%	7.68%	3.93%	3.28%
<i>Lehman Gov/Credit (1)</i>				0.92%				0.00%	0.92%	7.24%	3.84%	3.24%
BBB Average Quality												
Wells Capital (formerly Strong)	158,698	20.1%	20.2%	0.83%	161,451	20.4%	20.2%	-0.59%	0.24%	3.55%	3.04%	3.85%
<i>Lehman US Credit BAA</i>				0.80%				-0.67%	0.13%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	514,936	65.1%	65.0%	0.19%	527,110	66.7%	65.0%	-1.24%	-1.06%	2.32%	3.89%	5.04%
<i>Lehman Aggregate (2)</i>				0.95%				-0.08%	0.87%	7.12%	4.09%	3.73%
CASH EQUIVALENTS												
Bank of ND	39,067	4.9%	5.0%	0.17%	41,031	5.2%	5.0%	0.16%	0.33%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.16%				0.18%	0.33%	3.63%	4.27%	3.18%
TOTAL DEFERRED SICK LEAVE FUND	791,461	100.0%	100.0%	0.14%	790,389	100.0%	100.0%	-1.23%	-1.09%	-3.20%	4.12%	5.59%
POLICY TARGET BENCHMARK				0.86%				-0.25%	0.61%	0.33%	4.98%	5.77%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.